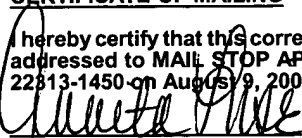


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Patent
Atty. Docket: J532-002 US

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the U.S. Postal Service as First Class Mail in an envelope addressed to MAIL STOP APPEAL BRIEF - PATENTS, Commissioner for Patents, P.O. Box 1450, Alexandria, Virginia 22313-1450 on August 9, 2004.


Annita Lise
Dated: August 9, 2004

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

APPLICANT : Thomas R. Packwood
SERIAL NO. : 09/544,400
FILING DATE : April 6, 2000
EXAMINER : S.R. Wasylchak
GROUP ART UNIT : 3624
FOR : RISK ASSESSMENT AND MANAGEMENT SYSTEM

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner of Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

TRANSMITTAL OF APPEAL BRIEF
(PATENT APPLICATION - 37 C.F.R. 1.192)

Sir:

Transmitted herewith, in triplicate, is a further APPEAL BRIEF in this application, with respect to the Notice of Appeal filed on March 8, 2004 and the Notification of Non-Compliance with the Requirements of 37 C.F.R. 1.192(c) dated July 14, 2004.

1. STATUS OF APPLICANT

This application is on behalf of Union State Bank, which is a small entity and which is the real party in interest.

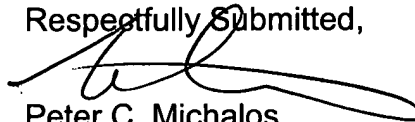
2. FEE FOR FILING APPEAL BRIEF

Pursuant to 37 C.F.R. 1.17(f), the fee for filing the Appeal Brief has been previously submitted in the amount of \$165.00.

The Commissioner is further authorized to charge or credit our Deposit Account No. 14-1431 with any under or over payments of fees relating to this application.

Entry of this Brief on Appeal is respectfully requested.

Respectfully Submitted,



Peter C. Michalos
Reg. No. 28,642
Attorney for Applicants

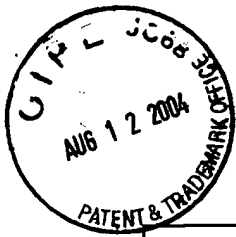
Dated: _____

8/9/04

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Patent
Atty. Docket: J532-002 US

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Anita Lise
Anita Lise
Dated: August 9, 2004

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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Applicant : Thomas R. Packwood
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For : RISK ASSESSMENT AND MANAGEMENT SYSTEM

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

BRIEF ON APPEAL (37 C.F.R. 1.192)

This brief is in furtherance of the Notice of Appeal, filed in this case on March 8, 2004. The fee of \$165.00 required under 37 CFR 1.17(c) for a small entity accompanied the brief filed on April 9, 2004 but received at the USPTO as of April 20, 2004 and is referred to in the accompanying TRANSMITTAL OF APPEAL BRIEF.

This brief is transmitted in triplicate (37 C.F.R. 1.192(a)).

This brief contains the following sections under the following headings, and in the order set forth below (37 CFR 1.192(c)):

- I REAL PARTY IN INTEREST;
- II RELATED APPEALS AND INTERFERENCES;
- III STATUS OF CLAIMS;
- IV STATUS OF AMENDMENTS;
- V SUMMARY OF INVENTION;
- VI ISSUES;
- VII GROUPING OF CLAIMS;
- VIII ARGUMENTS;
- VIIIA ARGUMENTS - REJECTIONS UNDER 35 U.S.C. 112
FIRST PARAGRAPH;
- VIIIB ARGUMENTS - REJECTIONS UNDER 35 U.S.C. 112
SECOND PARAGRAPH;
- VIIIC ARGUMENTS - REJECTIONS UNDER 35 U.S.C. 102;
- VIIID ARGUMENTS - REJECTIONS UNDER 35 U.S.C. 103;
- VIIIE ARGUMENTS - REJECTIONS OTHER THAN UNDER
35 U.S.C. 102, 103, AND 112;
- IX APPENDIX OF CLAIMS.

The last page of this brief before the Appendix, bears the signature of the Attorney
of Record.

I REAL PARTY IN INTEREST (37 C.F.R. 1.192(C)(1))

The real party in interest in this appeal is Union State Bank, the assignee of the present application.

II RELATED APPEALS AND INTERFERENCES (37 C.F.R. 1.192(c)(2))

There are no related appeals or interferences which would have any bearing on the Board's decision in this appeal.

III STATUS OF CLAIMS (37 C.F.R. 1.192(c)(3))

Claims 1, 7, 12, 14-17, 29, 35, 40, 42-47, 56-61 and 63 have been finally rejected and are all on appeal.

Claims 2-6, 8-11, 13, 18-28, 30-34, 36-39, 41, 48-55, 62, 64 and 65 have been canceled.

No claim has been allowed.

IV STATUS OF AMENDMENTS (37 C.F.R. 1.192(c)(4))

No amendment after the final rejection has been filed.

The claims on appeal are set forth in this brief at Section IX APPENDIX OF CLAIMS.

V SUMMARY OF INVENTION (37 C.F.R. 1.192(c)(5))

There has been no restriction requirement throughout the prosecution of this application and the three independent claims on appeal (claim 1 to the method, claim 29 to the system and claim 56 to the report), are believed to be properly grouped together. In the following, page and line numbers are used to refer to the pages and lines in the specification as filed, unless otherwise indicated.

Claim 1 defines the risk assessment and management reporting method of the invention (specification at page 9, lines 24-27 and Fig. 1), which comprises identifying a plurality of financial risk factors effecting a financial operation being managed (Fig. 1 at step 100 and the specification at page 20, lines 13-24 which gives a regional bank as an example). The risk factors are selected from a Markush group defined in claim 1.

The Markush group of risk factors consists of: late payments received (page 10, lines 23-25); difference between interest rate on savings and on loans (page 10, lines 27-28); rate of turnover of employees (page 10, line 28); days of product in inventory (page 10, lines 28-29); accounts receivable aging (page 10, line 29); number of loans in default (page 10, lines 29-30); gross sales (page 18, line 12), value of old inventory (page 18, lines 12-13); value of returns (page 18, lines 13-14); value of inventory losses (page 18, line 14); operating costs (page 18, line 15); net profit (page 18, line 15); latest compliance regulatory exam rating (page 20, line 29); quarterly teller over and short count (page 20, line 30); open audit and regulatory findings over twelve months old (page 20, lines 30-31); variance of year-to-date budget versus actual operating income (page 20, lines 31-32); number of branch manager meetings during past twelve months (page 20, lines 32-33); current internal audit rating (page 20, lines 33-34); number of branches reporting operating losses (page 20, lines 34-35); months since last approval of operations policy (page 20, lines 35-36); loan allowance as percentage of total loans (page 21, lines 1-2); number of loan officers with portfolios greater than selected amount (page 21, lines 2-3); asset quality rating (page 21, line 3); percent of loans to total assets (page 21, line 4); net interest yield on loan portfolio (page 21, lines 4-5); number of appraisals not reviewed by in-house reviewer (page 21, lines 5-6); mortgage loans with expired hazard insurance (page 21, line 6); percentage of total loans outside lending area of the organization (page 21, line 7); net interest income as a percent of average assets (page 21, lines 8-9); return on common equity (page 21, line 9); legal risk self-assessment (page 21, lines 9-10); investments as a percent of total assets (page 21, line 10); and return on assets (page 21, line 11).

Each of the risk factors is evaluated to determine at least two ranges of risk level values for each risk factor, one range containing unacceptable risk level values and the other range containing acceptable risk level values (Fig. 1 at step 110 and specification at page 10, line 32 to page 11, line 5). Each range of risk level values corresponds to a visual

indicia in the form of a different color for each range (e.g. green for acceptable and red for unacceptable; page 13, lines 18-22).

The method then associates one of a plurality of different risk tolerance levels with each risk factor (page 12, lines 18-20 and Fig. 1 at 120), the risk tolerance levels indicating the level of tolerance of the risk factor to the operation, e.g. high tolerance even for unacceptable values for less important factors, and low tolerance for more important factors.

The actual risk level value is then determined for each risk factor as a numeric quantity (page 12, lines 31-33 and Fig. 1 at 130).

Finally a report is generated that displays all of this information in a particular manner that is not taught or suggested by the prior art (page 13, lines 14-22; page 15, lines 25-29 and Fig. 3).

The report has the visual indicia color displayed in conjunction with and adjacent each risk factor (page 16, lines 11-19 and Fig. 3 at 315 and 335), the particular visual indicia color displayed being dependent on which of the at least two ranges of risk level values the actual risk level value for the associated risk factor is within. The report displays the actual risk level value for each risk factor in proximity to the risk factor and associated visual indicia color (Fig. 3 at 325). Also, the risk factors (315), the actual risk level values (325) and the visual indicia colors (335) are each in a line, with the lines being parallel to, and near each other (as in the columns and rows of Fig. 3).

All risk factors having the same risk tolerance level (e.g. low or high) are accumulated in a separate area of the report for each risk tolerance level (low on top in Fig. 3 and high on the bottom of Fig. 3, for example).

Independent claim 29 defines the system of the invention in terms of a combination of means for performing each of the steps of claim 1.

Claim 29 defines the invention as including means for identifying the financial risk factors of the Markush group with each of the risk factors having at least two different risk level value ranges, each risk level value range corresponding to a different visual indicia color, one range containing unacceptable risk level values and the other range containing acceptable risk level values. An actual risk level value for each risk factor is taken and means are included for associating one risk tolerance level with each risk factor, the risk tolerance levels indicating a level of tolerance of the risk factor to the operation.

The invention of claim 29 ends with the limitation of a graphical risk management report on a computer, the report having one of the visual indicia colors displayed in conjunction with each risk factor, the particular visual indicia color displayed being dependent on which of the ranges of risk level values the actual risk level value for the associated risk factor is within, the report displaying the actual risk level value for each risk factor in proximity to the risk factor and associated visual indicia color. The report has the risk factors, the actual risk levels and the visual indicia colors all in line with the lines being parallel to, and near each other. The risk factors with the same risk tolerance level are accumulated in a separate area of the report for each risk tolerance level.

Claim 56 defines the report itself, with all of the features of the defined risk factors, the factor values, the color indicator of acceptable or unacceptable ranges and accumulation of factors of the same tolerance level in the same area of the report.

Fig. 4 and the specification at page 16, line 23 to page 17, line 21, illustrate another example of the claimed report.

VI ISSUES (37 C.F.R. 1.192(c)(6))

The issues of this appeal are as follows:

Whether claims 1, 7, 12, 14-17, 29, 35, 40, 42-47, 56-61 and 63 are patentable under 35 U.S.C. 103(a) over Alexander (1996) (vol 1) ("Risk Management & Analysis") in view of U.S. Patent 6,202,060 to Tran and further in view of U.S. Patent 6,421,653 to May.

VII GROUPING OF CLAIMS (37 C.F.R. 1.192(c)(7))

The applicant does not agree with the Examiner's grouping of the claims since the three independent claims 1, 29 and 56, should not stand or fall together.

The grouping should be as follows:

Group A: Independent claim 1, drawn to the method of the invention, along with its dependent claims 7, 12 and 14-17;

Group B: Independent claim 29, drawn to the system of the invention, along with its dependent claims 35, 40 and 42-47; and

Group C: Independent claim 56, drawn to the report of the invention, along with its dependent claims 57-61 and 63.

VIII ARGUMENTS

VIIIA ARGUMENTS - REJECTIONS UNDER 35 U.S.C. 112, FIRST PARAGRAPH (37 C.F.R. 1.192(c)(8)(i))

There has been no rejection of the claims under 35 U.S.C. 112, first paragraph.

VIIIB ARGUMENTS - REJECTIONS UNDER 35 U.S.C. 112, SECOND PARAGRAPH (37 C.F.R. 1.192(c)(8)(ii))

There has been no rejection of the claims under 35 U.S.C. 112, second paragraph.

VIIIC ARGUMENTS - REJECTIONS UNDER 35 U.S.C. 102 (37 C.F.R. 1.192(C)(8)(iii))

There has been no rejection of the claims under 35 U.S.C. 102.

VIIID ARGUMENTS - REJECTION UNDER 35 U.S.C. 103 (37 C.F.R. 1.192(c)(8)(iv))

All claims on appeal have been rejected under 35 U.S.C. 103, and arguments are presented in the following.

VIIIE ARGUMENTS - REJECTION OTHER THAN UNDER 35 U.S.C. 102, 103 AND 112 (37 C.F.R. 1.192(c)(8)(v))

There has been no other ground for rejection.

A. Introduction

The Examiner has rejected all of the claims on appeal as being obvious to the person of ordinary skill in this art from a combination of three references.

After considering the following it is believed the Board will agree that there is insufficient teaching in the three references taken in any combination to reach the claimed invention. Certain features and relationships called for by the claims are not present in any of the references, so that their combination would fail to suggest these missing features and relationships, whether expressed as the method of claim 1, the system of claim 29, or the report of claim 56.

B. The Prior Art

1. Alexander (1996) (vol 1) ("Risk Management & Analysis")

This reference was first cited by the Examiner in the Office action dated April 9, 2003. After issuance of a "Response to Appeal Brief" on July 14, 2004 by Examiner Wasylchak, who has taken over this case, a full copy of certain pages of a different edition or volume of the Alexander reference relied upon by the original Examiner were supplied to applicant by fax on July 19, 2004. Copies of the reference pages originally relied on are still not available but since the time to reply to the July 14th "Response to Appeal Brief" is fast approaching, this further Brief is being filed now.

On the basis of the portions of the Alexander reference the original Examiner relied upon, and in view of what is accepted to have been actually taught by Alexander according to the original Examiner, it is not seen how the person of ordinary skill in this art would come to the claimed invention in an obvious manner as contemplated by 35 U.S.C. 103, from Alexander combined with the secondary references.

Alexander is a treatise that discloses, in great detail, many types of risks that various operations, including banks and other financial operations, face, and how to calculate such risks. Nowhere in Alexander has the Examiner identified any report or method of making such a report, or system using a report, that is anything like the report of the claims on appeal here.

In the final action, starting at page 2, paragraph 6, the Examiner says:

"Alexander teaches a risk assessment system (pages v-vi)) which identifies a plurality of risks affecting an operation being managed (page viii)(Pages 209-222) and determining [sic] actual [sic] risk levels values for the risk factors(Pages 125-236) which can be acceptable or unacceptable (p. 161)(p. vi)(pages 245-267). Alexander further teaches the risk reporting and management system wherein there are risk levels (pages 12-40)(pp v-vi). Alexander also teaches tax efficiency, regulatory efficiency (p 106) as well as balance sheet management (Sect 10.5) as well as front, middle, back office management (p 210-216) which is characteristic of running businesses. Alexander addresses financial as well as business risk models. Alexander cites the various risk models incorporating Monte Carlo simulation (p 204), measures of risk paradigm (p 225). Alexander also teaches tax efficiency, regulatory efficiency(p 106) as well as balance sheet management (Sect 10.5) as well as front, middle, back office management (p 210-216) which is characteristic of running businesses also. Alexander is concerned with financial as well as business risk models. Alexander does not specifically teach generation of spreadsheets."

All of this still provides the person of ordinary skill in this art with absolutely no guidance at all on that the report should look like. No report is disclosed which quickly and accurately displays critical and key information to the reader of the report as in the claimed invention. This is the gist and essence of the present invention.

Alexander only proves that those skilled in the art would know how to identify and calculate the risk factors, a point which is readily conceded.

In the copy of Alexander provided to the undersigned, the only color-coded report at all appears in Figure 6.2, which has none of the following attributes defined in claim 1:

"visual indicia colors displayed in conjunction with and adjacent each risk factor, the particular visual indicia color being displayed being dependent on which of the at least two ranges of risk level values the actual risk level value for the associated risk factor is within, and displaying in the report the actual risk level value for each risk factor in proximity to the risk factor and associated visual indicia color, the risk factors, actual risk level values and visual indicia colors each being in a line with the lines being parallel to, and near each other, all risk factors having the same risk tolerance level being accumulated in a separate area of the report for each risk tolerance level."

2. U.S. Patent 6,202,060 to Tran

The Examiner says of Tran; "Tran teaches generating spreadsheets which form basis of risk management assessments and reports (Fig 22/512)(Fig 6)(Fig 17)" (see final action page 3, lines 7-8).

This is simply not true.

Tran never even mentions risk management. Instead, Tran teaches a system for creating and updating spreadsheets of a general nature, using remove and wireless means.

As with Alexander, nowhere in Tran are any of the requirements for the layout and appearance of the claimed report found. Tran never even suggests color-coding any part of its spreadsheet, let alone coding for risk value ranges.

The Examiner then goes on to discuss what he considers Tran to teach, namely:

"editing saving memo reports (Fig 20) and displaying reports (Fig 27/588)(Fig 28/601) which includes information analysis relating to competition and stakeholders and analysis of financial health which is risk assessment analysis (col 35 lines

52-56). Tran also teaches searching (col 35 lines 59-62) for stakeholder information (col 35 line 54) and financial health assessments as well as displaying reports including such information (Fig 27)(Fig 22) as well as project planning tools functionality (col 5 lines 46-50). Tran teaches generating spreadsheets which form basis of risk management assessments and reports (Fig 22/512)(Fig 6)(Fig 17) as well as editing saving memo reports(Fig 20) and displaying reports (Fig 27/588) (Fig 28/601) which includes information analysis relating to competition and stakeholders and analysis of financial health which is risk assessment analysis (col 35 lines 52-56). Tran further teaches displaying results (Fig 25) and spreadsheet analysis (col 2 lines 51-61). Tran also teaches searching (col 35 lines 59-62) for stakeholder information (col 35 line 54) and financial health assessments as well as displaying reports including such information (Fig 27)(Fig 22) as well as project planning tools functionality (col 5 lines 46-50). Tran further teaches updating spreadsheet cells from databases with new events (Fig 6/203) as well as entering formulas in cells (Fig 9/267) which are numbers and which may represent risk factors. Tran further teaches specifying rules which may also be risk-related parameters (Fig 22/502)."

While some of these feature can be extrapolated from Tran, rather than actually being taught by the reference, and others are not relevant to the claims on appeal, the fact remains that the person of ordinary skill in this art is still left no closer to the claimed report by Tran combined with Alexander.

The Examiner states that "Tran does not specifically teach a color coded system to display risks" (final action, page 4, lines 8-9). In fact, Tran does not even disclose the displaying of risk as called for by the claims on appeal, nor the grouping of risk factors of the same tolerance level in the same area on a report.

Tran expressly teaches that spreadsheets are know which are a collection of columns and rows containing cells with information that can be calculated (column 1, line 29-32), but Tran never teaches any format for that spreadsheet, let alone how to arrange the information and color-code it for maximum speed and ease of understanding.

3. U.S. Patent 6,421,653 to May

The Examiner states that:

"May teaches a color coding methodology for transactions related to credit preferences of entities which is related to the default risk and displays risk factors (Abstract)(Fig 1-34)(col 5 line 64-col 16 line 15)." (see final action, page 4, lines 9-12).

May at columns 30 and 32 discloses color-coding for the advisability of a trade between two entities. Red, for example, means that certain criteria for the trade have not been met. Risk factors are not identified or valued in associated with this color code, nor ever shown in the same report according to May.

The Examiner goes on to say that:

"May further teaches a credit group (Fig 11) as well as credit preference definition (Fig 24)(Fig 25) and risk positions from entities (Fig 28) and taking into account credit preferences (Fig 29) as well as updating credit and commensurate risk profiles (Fig 33). May further teaches credit preferences (Fig 7) as well as a credit over-ride process (col 10 lines 50-55)." (see final action, page 4, lines 12-16);

But not placed in any particular manner in a report as in the claimed invention.

The Examiner then says that:

"May further teaches a risk quotient (col 14 lines 4-20) as well as a user preference interface with a color coding display (col 17 lines 32-53)(Fig 68) as well as credit risk (col 25 line 61-col 26 line 22) as well as a color coding according to credit preferences (col 30 line 20-col 31 line 15)(Table 3)." (see final action, page 4, lines 16-19);

But risk factors of the same tolerance level (if the Examiner is equating the "risk quotient" of May with the tolerance levels of the claimed invention) are never grouped together in the same area of a report.

C. Discussion

Having presented his analysis of the teaching of the references, the Examiner concludes that:

"It would have been obvious to one skilled in the art at the time of the invention to combine Alexander in view of Tran and further in view of May to teach the disclosure. The motivation to combine is to teach a risk assessment and management method for identifying financial risk factors and to generate a display for a color coded analysis of the business risks associated with conducting business with designated entities and which enables parties to effectuate credit based transactions based on a color coded risk assessment system as enunciated by May (col 5 lines 20-25)." (see final action, page 4, line 19 to page 5, line 4).

The mosaic of features and reasoning presented by the Examiner neither teaches the claimed invention nor motivates the skilled artisan in this field to construct the report of the claimed invention.

Without the wholesale use of hindsight gleaned by first reading the present application, the claimed method, system and report of the present invention are no more "obvious" than the three numbers of a combination lock. After learning what the numbers are, anyone who knows how to operate the lock (i.e. the person with ordinary skill in the art), can open it. Without knowing the numbers, however, knowledge of how the lock operations leaves the person no closer to opening the lock.

By the same token, knowing how to identify and calculate risk factors as taught by Alexander, and knowing how a spreadsheet is structured and operates as taught by Tran, and even knowing the value of color-coding in generally as taught by May, still leaved the person of ordinary skill in this art no closer to claims 1, 29 or 56.

A combination of the myriad concepts of the three lengthy references that actually results in the specific combinations of the claims on appeal, is simply not obvious in any manner contemplated by 35 U.S.C. 103.

There is no suggestion for that combination, in fact, and pieces of the claimed combination, e.g. grouping of all risk factors of the same tolerance level in the same area of the report, are missing from all three references. Certainly such a combination would be no more obvious than the spontaneous discovery of the numbers of the combination lock based only on the knowledge that each of numbers must be from zero to 99, for example.

Group A: With respect to independent claim 1 and its dependant claims, the method of the invention calls for the person of ordinary skill in the art to combine the steps of: identifying two or more of the specified risk factors; evaluating each factor to see if it is in the unacceptable or acceptable risk level value range, range corresponding to a different visual indicia color; associating a risk tolerance level with each factor; determining the actual value for each factor; and generating a report with the appropriate indicia color displayed adjacent each factor, the actual value for each factor being displayed in proximity to the factor and with the factors, the values and the colors being in parallel lines near each other, and further with all factors of the same tolerance level being accumulated in a

separate area of the report. The prior art individually or in combination neither teaches nor suggests such a method, or such a report.

Group B: With respect to independent claim 29 and its dependent claims, the system of the invention calls for the person of ordinary skill in the art to combine the structures of: means for identifying the factors, each within an unacceptable or an acceptable value range corresponding to a different indicia color, and each factor having an actual value; means for associating a different tolerance level with each factor; and a graphical report on a computer, the report having the correct indicia color in conjunction with each factor, the actual value for each factor the factors themselves in a line with the lines being parallel to, and near each other, and risk factors having the same tolerance level being accumulated in a separate area of the report. Here again the prior art individually or in combination neither teaches nor suggests such a system, or such a report.

Group C: With respect to independent claim 56 and its dependent claims, the report of the invention calls for the person of ordinary skill in the art to combine: a plurality of separate visible areas each corresponding one risk tolerance level; a plurality of financial risk factors each associated with one of the tolerance levels, all factors having the same tolerance level listed in the same separate visible area, the risk factors being selected from a specified group; at least two value ranges associated with each factors, each range corresponding to a different visual indicia color with one containing unacceptable values and the other containing acceptable values; each factor having an actual value and with each factor, its value and its indicia color being in the corresponding separate area corresponding to one of the tolerance levels and in a parallel lines. The prior art individually or in combination neither teaches nor suggests such a report.

D. Conclusions

It is believed that from the foregoing, the following conclusions can be drawn:

1. That none of the references suggest displaying the identity, value and a color-code (visual indicia color) for a plurality of risk factors for a financial operation, in line with

each other, in a report, and with the color-code indicating whether the value is acceptable or not; and

2. That none of the references suggest identifying a plurality of risk tolerance levels to be ascribed to the risk factors and accumulating all risk factors having the same risk tolerance level in a separate area of the report; and


3. That no obvious combination of the three references can supply these features, nor the overall combination of any of the three claims 1, 29 or 56.

Based on these conclusions, the claims on appeal are believed to be patentable over the prior art and the application and claims are believed to be in condition for allowance.

The Board is therefore respectfully requested to reverse the Examiner's final rejection of these claims.

This brief is re-submitted now in triplicate. The fee was paid on April 12, 2004 with the first filed Brief.

Respectfully submitted,



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Dated: August 9, 2004

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IX APPENDIX OF CLAIMS

Claim 1. A risk assessment and management reporting method, comprising:

identifying a plurality of financial risk factors affecting a financial operation being managed, the risk factors being selected from the group consisting of: late payments received; difference between interest rate on savings and on loans; rate of turnover of employees; days of product in inventory; accounts receivable aging; number of loans in default; gross sales, value of old inventory; value of returns; value of inventory losses; operating costs; net profit; latest compliance regulatory exam rating; quarterly teller over and short count; open audit and regulatory findings over twelve months old; variance of year-to-date budget versus actual operating income; number of branch manager meetings during past twelve months; current internal audit rating; number of branches reporting operating losses; months since last approval of operations policy; loan allowance as percentage of total loans; number of loan officers with portfolios greater than selected amount; asset quality rating; percent of loans to total assets; net interest yield on loan portfolio; number of appraisals not reviewed by in-house reviewer; mortgage loans with expired hazard insurance; percentage of total loans outside lending area of the organization; net interest income as a percent of average assets; return on common equity; legal risk self-assessment; investments as a percent of total assets; and return on assets;

evaluating each risk factor to determine at least two ranges of risk level values for each risk factor, one range containing unacceptable risk level values, the other range containing acceptable risk level values, each range of risk level values corresponding to a visual indicia in the form of a different color for each range;

associating one of a plurality of different risk tolerance levels with each risk factor, the risk tolerance levels indicating a level of tolerance of the risk factor to the operation;

determining actual risk level values for each of the plurality of risk factors; and

generating a risk management report having one of the visual indicia colors displayed in conjunction with and adjacent each risk factor, the particular visual indicia color being displayed being dependent on which of the at least two ranges of risk level values the actual risk level value for the associated risk factor is within, and displaying in the report the actual risk level value for each risk factor in proximity to the risk factor and associated visual indicia color, the risk factors, actual risk level values and visual indicia colors each being in a line with the lines being parallel to, and near each other, all risk factors having the same risk tolerance level being accumulated in a separate area of the report for each risk tolerance level.

Claim 7. A risk assessment and management reporting method according to claim 1, wherein the colors are red and green.

Claim 12. A risk assessment and management reporting method according to claim 1, wherein there are three ranges of risk level values, one range containing the unacceptable risk level values, a second range containing marginal risk level values and the third range containing the acceptable risk level values, the visual indicia for each range corresponding to a different color.

Claim 14. A risk assessment and management reporting method according to claim 12, wherein the colors are red, yellow and green, respectively.

Claim 15. A risk assessment and management reporting method according to claim 1, wherein generating the report comprises preparing a computerized spreadsheet having a first column identifying each of the plurality of risk factors in one of a plurality of rows of the spreadsheet, a second column displaying the risk level values determined for each risk factor in the same one of the plurality of rows as the associated risk factor, and a third column displaying the visual indicia color for the risk level value in the same row.

Claim 16. A risk assessment and management reporting method according to claim 15, wherein preparing the computerized spreadsheet further comprises programming a formula for each risk factor into the spreadsheet for comparing the actual risk level value of each risk factor to the at least two ranges of risk level values for each risk factor.

Claim 17. A risk assessment and management reporting method according to claim 16, further comprising programming a code for each formula into the spreadsheet for displaying one of the unique visual indicia in the second column dependent upon the result of comparing the actual risk level value to the at least two ranges of risk level values for each risk factor.

Claim 29. A risk assessment and management reporting system for a financial operation being managed, the system comprising:

means for identifying a plurality of financial risk factors associated with the financial operation being managed, the risk factors being selected from the group consisting of: late payments received; difference between interest rate on savings and on loans; rate of turnover of employees; days of product in inventory; accounts receivable aging; number of loans in default; gross sales, value of old inventory; value of returns; value of inventory losses; operating costs; net profit; latest compliance regulatory exam rating; quarterly teller over and short count; open audit and regulatory findings over twelve months old; variance of year-to-date budget versus actual operating income; number of branch manager meetings during past twelve months; current internal audit rating; number of branches reporting operating losses; months since last approval of operations policy; loan allowance as percentage of total loans; number of loan officers with portfolios greater than selected amount; asset quality rating; percent of loans to total assets; net interest yield on loan portfolio; number of appraisals not reviewed by in-house reviewer; mortgage loans with

expired hazard insurance; percentage of total loans outside lending area of the organization; net interest income as a percent of average assets; return on common equity; legal risk self-assessment; investments as a percent of total assets; and return on assets;

each of the risk factors having at least two different risk level value ranges, each risk level value range corresponding to a different visual indicia color, one range containing unacceptable risk level values and the other range containing acceptable risk level values;

an actual risk level value for each risk factor;

means for associating one of a plurality of different risk tolerance levels with each risk factor, the risk tolerance levels indicating a level of tolerance of the risk factor to the operation; and

a graphical risk management report on a computer, the report having one of the visual indicia colors displayed in conjunction with each risk factor, the particular visual indicia color being displayed being dependent on which of the ranges of risk level values the actual risk level value for the associated risk factor is within, the report displaying the actual risk level value for each risk factor in proximity to the risk factor and associated visual indicia color, the risk factors, actual risk levels and visual indicia colors each being in a line with the lines being parallel to, and near each other, and risk factors having the same risk tolerance level being accumulated in a separate area of the report for each risk tolerance level.

Claim 35. A risk assessment and management reporting system according to claim 29, wherein the colors are red and green.

Claim 40. A risk assessment and management reporting system according to claim 29, wherein the ranges of risk level values comprised the one range containing unacceptable risk level values, a second range containing marginal risk level values and the other range being a third range containing the acceptable risk level values.

Claim 42. A risk assessment and management reporting system according to claim 40, wherein the colors are red, yellow and green, respectively.

Claim 43. A risk assessment and management reporting system according to claim 29, wherein the report comprises a computerized spreadsheet having a first column identifying each of the plurality of risk factors in one of a plurality of rows of the spreadsheet and a second column displaying the unique indicia associated with each risk factor in the same one of the plurality of rows as the associated risk factor and means for publishing the spreadsheet.

Claim 44. A risk assessment and management reporting system according to claim 43, wherein the computerized spreadsheet further comprises formula for each risk factor programmed into the spreadsheet, each formula comparing the actual risk level value of the associated risk factor to the at least two ranges of risk level values for the associated risk factor to determine which of the at least two ranges the actual risk level value is within.

Claim 45. A risk assessment and management reporting system according to claim 44, further comprising a code programmed into the spreadsheet for each formula for displaying one of the visual indicia in the second column dependent upon the result of comparing the actual risk level value to the at least two ranges of risk level values for each risk factor.

Claim 46. A risk assessment and management reporting system according to claim 29, wherein the operation being managed is a bank having a plurality of operational segments.

Claim 47. A risk assessment and management reporting system according to claim 46, further comprising means for sorting the risk factors according to the operational segment of the bank the risk factors affect.

Claim 56. A risk assessment and management report for a financial operation, the report comprising:

- a plurality of separate visible areas each corresponding to one of a plurality of different financial risk tolerance levels;

- a plurality of financial risk factors each associated with one of the risk tolerance levels, all of the risk factors having the same risk tolerance level being listed in the same separate visible area, the risk factors being selected from the group consisting of: late payments received; difference between interest rate on savings and on loans; rate of turnover of employees; days of product in inventory; accounts receivable aging; number of loans in default; gross sales, value of old inventory; value of returns; value of inventory losses; operating costs; net profit; latest compliance regulatory exam rating; quarterly teller over and short count; open audit and regulatory findings over twelve months old; variance of year-to-date budget versus actual operating income; number of branch manager meetings during past twelve months; current internal audit rating; number of branches reporting operating losses; months since last approval of operations policy; loan allowance as percentage of total loans; number of loan officers with portfolios greater than selected amount; asset quality rating; percent of loans to total assets; net interest yield on loan portfolio; number of appraisals not reviewed by in-house reviewer; mortgage loans with expired hazard insurance; percentage of total loans outside lending area of the organization; net interest income as a percent of average assets; return on common equity; legal risk self-assessment; investments as a percent of total assets; and return on assets;

- at least two ranges of risk level values associated with each of the plurality of risk factors, each of the at least two ranges of risk level values corresponding to a different

visual indicia color, one range containing unacceptable risk level values and the other range containing acceptable risk level values;

each risk factor having an actual risk level value, the actual risk level value for each risk factor and the visual indicia color corresponding to the range of risk level values in which the actual risk level value of the risk factor is within being displayed associated with their corresponding risk factor in the corresponding separate area, the actual risk level value for each risk factor being in proximity to the risk factor and associated visual indicia color, the risk factors, actual risk levels and visual indicia colors each being in a line with the lines being parallel to, and near each other.

Claim 57. An assessment and management report according to claim 56, further comprising a computerized spreadsheet for displaying the plurality of risk factors and the associated unique visual indicia colors.

Claim 58. An assessment and management report according to claim 57, wherein for each risk factor, the at least two ranges of risk level values are programmed into the computerized spreadsheet as a formula for comparing with the actual risk level value for the risk factor.

Claim 59. An assessment and management report according to claim 58, further comprising a code programmed into the computerized spreadsheet for each risk factor for displaying one of the unique visual indicia in association with the risk factor, dependent upon the result of the comparison of the actual risk level value to the at least two ranges of risk level value for the risk factor.

Claim 60. An assessment and management report according to claim 59, wherein the at least two ranges of risk level values for each risk factor comprises three ranges.

Claim 61. An assessment and management report according to claim 60, wherein the three ranges are an the unacceptable value range, a marginal value range and the acceptable value range.

Claim 63. An assessment and management report according to claim 61, wherein the colors comprise red, yellow and green, respectively.

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